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STATE OF NEVADA

Uniform Classification of Accounts

FOR

WATER UTILITIES

PRESCRIBED BY THE

Public Service Commission of Nevada

CARSON CITY, NEVADA
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UNIFORM CLASSIFICATION OF WATER ACCOUNTS

PRESCRIBED BY THE

PUBLIC SERVICE COMMISSION OF NEVADA

INTRODUCTORY STATEMENT

CARSON CITY, June, 1911.

To Nevada Water Utilities:

This circular embraces the uniform classification of accounts for water utilities prescribed and issued by the Public Service Commission under date of June, 1911, and the detailed text of instructions to accompany such classification, prepared under the following provisions of Chapter 162 of the Statutes of 1911, known as the Public Utilities Law:

Uniform Accounting by Utilities.

SEC. 7. Every public utility shall keep and render to the Commission in manner and form prescribed by the Commission, uniform and detailed accounts of all business transacted.

Other Business Separate.

(*a*) Every public utility engaged directly or indirectly in any other business than those mentioned in section 3 of this act, shall, if required by the Commission, keep and render in like manner and form the accounts of all such other business, in which case all the provisions of this act shall apply with like force and effect to the books, accounts, papers and records of such other business.

Blanks Furnished by Commission.

(*a*) The Commission shall cause to be prepared suitable blanks for carrying out the purpose of this act, and shall, when necessary, furnish such blanks to each public utility.

Form of Bookkeeping Prescribed.

(*a*) No public utility shall keep any other books, accounts, papers or records of the business transacted than those prescribed or approved by the Commission. Each public utility shall have an office within this State, and shall keep in said office all such books, accounts, records or papers, none of which shall be removed at any time from the State except upon such conditions as may be prescribed by the Commission.

Annual Reports.

(*b*) The accounts of all such public utilities shall be closed annually on the 30th day of June, a balance sheet taken promptly therefrom, and full annual reports of the business to be made to the Commission not later than the 15th day of September following the closing of the

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accounts. The reports shall be in such form as may be prescribed by the Commission, and shall contain all the information deemed by the Commission necessary for the proper performance of its duties. The Commission may, at any time, call for desired information omitted from such reports, or not provided for therein, whenever, in the judgment of the Commission, such information is necessary.

It is desired that all water utilities conform their accounts to the system prescribed herein at their earliest possible convenience. It is possible that some alterations may be found expedient at some future time, but for the present, this classification is adhered to and prescribed and upon it will be based the annual reports made to the Public Service Commission by all water utilities.

In order that this system may meet in a most satisfactory manner with the needs of the water interests, consistent with the requirements of the Public Utilities Law, it is urged that all companies which are unable for any reason to conform to the accounts for the class in which they naturally come under the above arrangements, will communicate with this Commission, stating in full their reasons or conditions why special consideration should be given and an explanation of how complete a compliance with this system can be made.

PUBLIC SERVICE COMMISSION OF NEVADA.

H. F. BARTINE,
Chief Commissioner.

J. F. SHAUGHNESSY,
First Associate Commissioner.

W. H. SIMMONS,
Second Associate Commissioner.

INCOME ACCOUNTS

INCOME ACCOUNT FORM FOR REPORT

OPERATING REVENUES

Earnings from Commercial Sales	(Details)	
Earnings from Industrial Sales	(Details)	
Earnings from Municipal Hydrant Rentals	(Details)	
Earnings from Sales for Street Sprinkling	(Details)	
Earnings from Sales to Municipal Depts.	(Details)	
Miscellaneous Earnings from Operation	(Details)	
Total Operating Revenues		$

OPERATING EXPENSES

Pumping	(Details)	
Distribution	(Details)	
Commercial	(Details)	
General	(Details)	
Undistributed	(Details)	
Total of Above Items		$
Contingencies (Extraordinary)	(Details)	
Taxes	(Details)	
Total Operating Expenses		$
Net Operating Revenue or Deficit		$
Nonoperating Revenues		
Gross Income or Deficit		$

DEDUCTIONS FROM GROSS INCOME

Interest on Funded Debt	(Details)	
Interest on Real Estate Mortgages	(Details)	
Interest on Floating Debt	(Details)	
Contractual Sinking Fund Requirements	(Details)	
Miscellaneous Deductions	(Details)	
Total		$
Net Income or Deficit		$

DISPOSITION OF NET INCOME

Preferred Stock Dividends	(Details)	
Common Stock Dividends	(Details)	
Appropriations to Municipal Funds (Municipal Plants Only)	(Details)	
Other Payments from Net Income	(Details)	
Total		$
Surplus or Deficit for Year		
Surplus or Deficit at Beginning of Year		
Adjustments During Year (Profit and Loss Account)		
Surplus or Deficit at Close of Year (as per Balance Sheet)		$

DETAILED ACCOUNTS WITH TEXT

OPERATING REVENUES

Earnings from Commercial Sales.

Credit this account with all revenue from water sales to commercial consumers, both where the revenue is dependent upon the quantity of water taken as recorded by meter and where such water is sold at flat rates and independent of the quantity taken. Commercial consumers, as referred to in this account, embrace residences, offices, apartment houses, retail commercial establishments, etc., where water is not used primarily for power or industrial purposes. Where, however, some manufacturing or industrial processes are performed in any residence, store or other point of commercial consumption, but such process being merely incidental to the broader use of the premises as a commercial consumer, the total consumption at such premises shall be credited to this account. When water is sold both by meter and flat rates, the earnings from each such subdivision shall be credited to subdivisions of this account and reported separately to the Commission as follows:

a. Commercial Earnings—Flat Rate.
b. Commercial Earnings—Metered.

Water sold to the municipality for use in public buildings and not included in the contract for hydrant rentals and other municipal uses, will be considered as *Commercial Earnings.*

Where it is the custom of the utility to charge a minimum amount when the consumption during the month is less than the prescribed amount, the total amount of such minimum charge shall be credited to this account or to its appropriate sub-account. Where it is the custom of the utility to grant a discount from the gross bill or to add a penalty to the bill when payment is not made on or before a prescribed date, such discounts or penalties shall be charged or credited to this account. Utilities desiring to do so may open sub-accounts to show the *Minimum Bill* and *Discount* or *Penalty* items.

Earnings from Industrial Sales.

Credit this account with all earnings from the sale of water for power and industrial purposes to manufacturing and industrial establishments. Where water is sold at a different rate for any particular kind of industrial use, the earnings from such separate sources shall be credited to appropriate subdivisions of this account and reported separately to the Commission. Where water is sold both by meter and flat rates, the earnings from each such division shall be credited to subdivisions of this account and reported separately to the Commission as follows:

a. Earnings from Industrial Sales—Flat Rate.
b. Earnings from Industrial Sales—Metered.

Where it is the custom of the utility to charge a minimum amount in cases where the consumption during the month is less than a prescribed amount, the total amount of such minimum charge shall be credited to this account or to its appropriate sub-account. Where it is the custom

of the utility to grant a discount from the gross bill or to add a penalty to the bill where payment is not made on or before a prescribed date, such discount or penalty shall be charged or credited to this account. Utilities desiring to do so may open sub-accounts to show the *Minimum Bill* and *Discount* or *Penalty* items.

Earnings from Municipal Hydrant Rentals.

Credit to this account all revenues received from the municipality for hydrant service. Where the hydrant rental paid by the municipality includes the use of water for street sprinkling and flushing purposes, and such water not being separately metered, the total revenue collected under such contract for hydrant rental will be credited to this account.

Earnings from Sales for Street Sprinkling.

Credit this account with all earnings from sales of water for street sprinkling, both to individuals and contractors engaged in sprinkling streets, parks and thoroughfares, and also with sales to the municipality, where such sprinkling is performed by the city.

Earnings from Sales to Municipal Departments.

Credit this account with all earnings from the sale of water to municipal departments other than for street sprinkling, if such is performed by the municipality. This includes earnings from the sale of water for sewer and street flushing, street construction, filling fire cisterns and basins, etc., by the municipality. Where a special contract is entered into between the municipality and the utility for water service at public buildings, as schools, police and fire stations, city hall, etc., revenue collected under such contract will be credited to this account. A record should be kept also of the revenue received from each separate municipal department.

Miscellaneous Earnings from Operations.

Credit to this account all earnings received from operating transactions not properly includible in the preceding accounts.

NONOPERATING REVENUES

Profit on Merchandise Sales.

Credit to this account the receipts derived from the sale of water appliances and plumbing fixtures used in the consumption and utilization of water. Profit, as used in this account, is defined as being the excess of the sale price over the cash cost, including the invoice cost, cost of handling, storage, etc., if such merchandise is passed through the stores department. Charge this account with all expenses for labor and material in connection with the sale of such appliances or merchandise. The net amount only, or the profit on merchandise sales, is to be carried to the *Income Account*. The credits and charges to this account shall be made in such a manner as to admit of a detailed analysis when called for by the Commission.

Profit on Piping and Connections.

Credit this account with all earnings derived from piping and connection work performed by the utility. This includes earnings from services performed on the consumers' premises, such as piping the con-

sumers' premises, connecting and disconnecting house piping and water fixtures, the relocation of piping or apparatus, and other plumbing and fixture work. If prospective consumers are charged for services performed by the water utility in connecting the house piping and plumbing with the service connection, and for laying such service piping, such earnings shall be credited to this account. Where the cost of laying the service connection is charged to the property owner, such work shall not be included in tangible capital. Charge to this account all expenses for labor and materials in connection with such operation, the net amount only, or the profit from such piping and connection work, being carried to the *Income Account*. The credits and charges to this account will be made in such a manner as to admit of a detailed analysis when called for by the Commission.

Rents from Land, Buildings, and Apparatus.

Credit to this account as it accrues all revenue from the rental of land, buildings, and water apparatus and appliances. Where the contract of rental includes the setting and connection of such apparatus and also its maintenance by the utility, the total earnings from such rental shall be credited to this account.

Charge to this account all expenses incurred in connection with the collection of such rents, commissions and fees therefor, cost of procuring tenants, drawing contracts and leases, advertising for tenants, expenses of ouster proceedings, and taxes, unless the taxes are to be paid by the tenant. Any expenses accruing while such property is idle, also repairs upon such property, will be charged to this account. Only the net profit from the above transactions will be carried to the *Income Account*.

The credits and charges to this account are to be made in such a manner as to admit of a detailed analysis being made when called for by the Commission.

Interest on Deposits.

Credit to this account all interest as it accrues on deposits of the water utility funds with banks, trust companies or individuals. Interest on security investments will not be credited to this account but to the account *Interest and Dividends from Investments*. Interest on moneys belonging to any of the reserves of the water utility will be credited to such reserves.

Interest and Dividends from Investments.

Credit to this account all interest as it accrues upon interest-bearing securities which are liabilities, either actual or contingent, of solvent companies, cities or individuals, held as investments by the water utility.

Credit to this account the cash value, as on the date when they become collectible, of dividends upon the stocks, preferred and common, of corporations held as investments by the water utility.

A description of the securities whose yield is credited to this account will be called for in the annual report to the Commission.

Appropriations from Municipal Funds (for Municipal Plants Only).

Credit to this account all appropriations made by the municipality to the funds of the accounting utility for operating purposes. This account applies only to municipally owned water utilities.

Miscellaneous Nonoperating Revenues.

Credit to this account all revenues from nonoperating sources not includible in any of the preceding accounts.

Utilities are at liberty to open sub-accounts for the purpose of showing the revenues from any particular sources.

OPERATING EXPENSE ACCOUNTS

I. PUMPING
II. DISTRIBUTION
III. COMMERCIAL
IV. GENERAL
V. UNDISTRIBUTED

NOTE—In case any water utility finds it impossible or impracticable to keep its accounts with the detail herein prescribed, it should petition the Commission for authority to consolidate any two or more accounts, accompanying its petition with such facts which in its judgment make the keeping of the detailed accounts impracticable.

Operating expenses are intended to include all items of expense necessarily incurred in being prepared to serve or in serving the public as a water utility. This includes the expense of maintaining intact the organization of the utility, the pumping, distribution and sale of water and all processes necessarily incident thereto, together with the collection of the revenues from such operations. In order that the *Operating Expenses* shall clearly reflect only the cost of rendering such public service, all expenses incident to the operation of any other utility service performed or of any transactions of a commercial nature shall be excluded therefrom.

Operating Expenses in the broadest significance of the term are divisible into two classes, viz., *Operation* and *Maintenance*.

Operation should be understood to mean the "use" of the property and includes labor, materials and supplies and expenses, but excludes all *Maintenance* items.

Maintenance should be understood to mean "upkeep," and should cover all expenditures for ordinary repairs, renewals or replacements of property resulting through wear and tear, or through those casualties which are incidental to the nature of the operation and which expenditures are necessary in order to keep up the productive capacity of the plant to its original or equivalent state of efficiency.

The items includible in the above subdivisions except where some other meaning is clearly apparent from the language used in explaining the account shall be understood to have the following meaning:

The Cost of Labor shall be understood to cover not only wages paid for manual labor, but salaries and fees paid to persons engaged in clerical, engineering or supervisory occupations.

Materials and Supplies shall be understood to cover the substances or matter consumed in furnishing the water service as required or authorized by law and embraces not only finished and unfinished products, but all expenses incurred in connection with their preparation for use and specifically chargeable against such products and also includes a portion

of the stores expenses, if such materials and supplies pass through the stores department.

Hand Tools, because of their liability to loss and theft and their rapid consumption in use, are to be considered as operating supplies in the year in which they were purchased and charged to the account for the benefit of which they were purchased.

Expenses should be understood to mean all expenditures made or incurred which are chargeable to the accounts referred to and which are not *Labor* or *Materials and Supplies*.

I. PUMPING

A. Steam Power Pumping

Superintendence.

Charge to this account the total cost of superintendence of the steam power pumping plant. This account includes the salaries of superintendent of pumping plant, foreman, draftsmen, chemists and all clerical help upon records and accounts pertaining to steam power pumping, whether such services are performed at the general office or at the plant. Charge also with the proportion of the salaries of engineering staff assignable to the steam power pumping plant.

NOTE—If water is also pumped by hydraulic, gas or electric power at the same station, the total cost of superintendence will be apportioned over the corresponding *Superintendence* accounts.

NOTE—This account is included in the account *Operating Labor*.

Pump Labor.

Charge this account with the cost of all labor engaged in operating steam power pumping equipment. This includes such labor as that of chief engineer and assistants, engineers, oilers, wipers and all other employees whose duties concern the operation of steam power pumps. (Exclude all maintenance labor.)

NOTE—If water is also pumped at the station by other than steam power, pump labor jointly incurred will be apportioned over the corresponding labor accounts in the respective groups of *Pumping* accounts.

NOTE—This account is included in the account *Operating Labor*.

Purification Labor.

Charge this account with the cost of all labor engaged in the purification of water. This includes the salaries and wages of all employees engaged in operating purification equipment, cleaning basins, removing ice, etc., and all processes of water purification brought about by plain sedimentation, sedimentation with coagulation, treatment for softening, removal of iron, algae, etc., purification by slow and rapid sand filtration and other means. (Exclude maintenance labor.)

NOTE—If water is also pumped by other than steam power, labor charges jointly incurred will be apportioned accordingly over the respective groups of *Pumping* accounts.

NOTE—This account is included in the account *Operating Labor*.

Miscellaneous Labor.

Charge this account with the salaries and wages of all employees in and about the steam power pumping plant engaged in operating such plant, including watchmen, labor cleaning buildings and yards, janitors, mes-

sengers and general labor not chargeable to any of the foregoing steam power pumping operating labor accounts. (Exclude maintenance labor.)

NOTE—If water is also pumped by other than steam power, labor charges jointly incurred will be apportioned accordingly over the respective groups of *Pumping* accounts.

NOTE—This account is included in the account *Operating Labor.*

Steam.

The total expense of generating steam is to be determined through a group of accounts referred to as the *Steam Generation Apportionment Account.* Where a utility is furnishing but one public service from its boiler plant, the details of the steam expense will appear in the *Steam Generation Apportionment Account*, and the total expense as shown therein will be carried to this account in the *Pumping* group of accounts and so shown in the annual report to the Commission. Where, however, two or more utilities or services are making a demand upon the same boiler equipment, the total steam expense will be apportioned over the departments so using the steam equipment, and the apportioned share of the steam expense incurred for the benefit of steam power pumping will be carried to this account. If steam is used at the pumping station for other purposes than the pumping of water, the expense for steam will be further apportioned, charging the appropriate expense accounts.

Steam Purchased.

Charge to this account the cost of all steam purchased for pumping purposes in the pumping plant. It is desired that the account shall be so kept as to indicate the name of the company or individual from whom the steam was purchased, the amount of steam purchased and the terms under which it was so purchased.

Lubricants.

Charge to this account the cost of all lubricants for steam power pumping equipment and machinery connected therewith in the steam power pumping plant. This includes cylinder oil, machine oil, graphite and other lubricants (but does not include wagon grease or oil for lanterns).

NOTE—This account is included in the account *Pumping Station Supplies and Expenses.*

Purification Supplies and Expenses.

Charge this account with the cost of all supplies consumed and expenses incurred in the purification of water pumped by steam power, including the cost of chemicals, coagulants and other supplies used in the process of water purification, softening, removal of iron, algae, etc., by the various purification methods. (Exclude all maintenance supplies.)

NOTE—If water is also pumped at the plant by other than steam power, the cost of purification supplies and expenses will be apportioned over the corresponding accounts in the different groups of *Pumping* accounts.

NOTE—This account is included in the account *Pumping Station Supplies and Expenses.*

Miscellaneous Pumping Station Supplies and Expenses.

Charge this account with all operating supplies and expenses incurred in the pumping of water by steam power, not chargeable to any of the preceding accounts. This includes such items as waste, packing, wipers, hand tools, gas and electricity for lighting, heating and cleaning pump-

ing station, laboratory apparatus and supplies, ice, water for general use and fire protection, and all items of similar nature.

NOTE—Where water is also pumped by other than steam power, the total cost of *Miscellaneous Pumping Station Supplies and Expenses* should be apportioned over the corresponding accounts in the respective groups of *Pumping* accounts.

NOTE—This account is included in the account *Pumping Station Supplies and Expenses.*

Maintenance of Steam Power Pumping Equipment.

Charge this account with all expenses for labor and material used in repairing steam power pumping equipment. This includes repairs both to steam pumps where the steam and water cylinders are placed in the same machine, and where the power pump is distinct from the steam prime mover, either reciprocating engines or turbines. Do not charge this account with repairs to power transmission equipment. (Exclude operating labor.)

NOTE—Utilities using power pumps operated by steam prime movers which are distinct from the pumps, may subdivide this account as follows:

a. Maintenance of Pumps.
b. Maintenance of Steam Prime Movers.

NOTE—This account is included in the account *Maintenance of Pumping Station Equipment.*

Maintenance of Pumping Station Auxiliary Equipment.

Charge this account with all expenses for labor and material incurred in making repairs to the steam power pumping station auxiliary equipment. This includes repairs to condensers, vacuum pumps, oiling systems, power transmission equipment such as shafting, belting, rope and cable drives, clutches, pulleys and idler wheels, and auxiliary motors, hoists, cranes, blacksmiths' and machinists' tools, and all other accessory equipment other than hand tools, the cost of which is to be included in *Operating Expenses.* (Exclude operating labor.)

NOTE—If water is also pumped at the station by other than steam power, the cost of maintaining pumping station auxiliary equipment used for the joint benefit of the different methods of pumping will be apportioned over the appropriate *Maintenance* accounts of the respective classes of *Pumping* accounts.

NOTE—This account is included in the account *Maintenance of Pumping Station Equipment.*

Maintenance of Surface Source or Supply.

Charge this account with all expenses for labor and material incurred in making repairs to the surface source of water supply. This includes repairs to river and lake sources, impounding reservoirs, artifical lakes and ponds, etc., together with repairs to impounding embankments, channels, waste-weirs, gates, valves, gate structures, and repairs to works for utilizing the flow from springs. (Exclude operating labor.)

NOTE—If water is also pumped at the station by other than steam power, the cost of maintaining the surface source of supply used for the joint benefit of the different methods of pumping will be apportioned over the appropriate *Maintenance* accounts of the respective classes of *Pumping* accounts.

NOTE—This account is included in the account *Maintenance of Source of Supply.*

Maintenance of Ground Source of Supply.

Charge this account with all expenses for labor and material incurred in making repairs to the ground source of water supply. This includes repairs to large open wells, shallow tubular wells, deep artesian wells,

etc., and includes the removal of sand or corroded material, and repairs to well casing, repairs to filter galleries, etc. (Exclude operating labor.)

NOTE—If water is also pumped at the station by other than steam power, the cost of maintaining the ground source of supply used for the joint benefit of the different methods of pumping will be apportioned over the appropriate *Maintenance* accounts of the respective classes of *Pumping* accounts.

NOTE—This account is included in the account *Maintenance of Source of Supply.*

Maintenance of Collecting Aqueducts, Intakes and Supply Mains.

Charge this account with all expenses for labor and material incurred in making repairs to the collecting aqueducts, intakes and supply mains between the source of supply and the pumping equipment at the station. This includes the periodical scraping to remove organic growth and incrustation, repairs to masonry of aqueducts and channels, seeking and repairing leaks, repairing pipes and removing and replacing worn sections and fittings, calking, protecting exposed parts of undermined supply mains, changing the position of or replacing such mains with the necessary bracing and digging in connection therewith; repaving and repairs to valves, hatch boxes, manholes, etc.; repairs to regulating valves, screens and wet wells; repairs and renewals of grating, fish screens, and repairs to submerged and exposed cribs, intake towers and other structures, sluicegates, etc. (Exclude operating labor.)

NOTE—If water is also pumped at the station by other than steam power, the cost of maintaining collecting aqueducts, intakes and supply mains which convey water for the different methods of pumping will be apportioned over the appropriate *Maintenance* accounts of the respective classes of *Pumping* accounts.

Maintenance of Purification Equipment.

Charge this account with all expenses for labor and material incurred in making repairs to the purification equipment. This includes repairs to settling basins, renewing sand, washing sand, and repairs to all equipment used in the purification of water by plain sedimentation, sedimentation with coagulation, treatment for softening and removal of iron, algae, etc., purification by slow and rapid sand filtration, mechanical filters, etc. (Exclude operating labor.)

NOTE—If water is also pumped at the station by other than steam power, the cost of maintaining purification equipment used in purifying all water pumped will be apportioned over the appropriate *Maintenance* accounts of the respective classes of *Pumping* accounts.

NOTE—This account is included in the account *Maintenance of Purification System.*

Maintenance of Purification Buildings, Fixtures and Grounds.

Charge this account with all expenses for labor and material incurred in repairing buildings, fixtures and grounds, including permanent apparatus foundations used exclusively for the purification of water. (Exclude operating labor.)

NOTE—If water is also pumped at the station by other than steam power, the total cost of maintaining purification buildings, fixtures and grounds used in the purification of all water pumped will be apportioned accordingly over the appropriate *Maintenance* accounts of the respective groups of *Pumping* accounts.

NOTE—This account is included in the account *Maintenance of Purification System.*

Maintenance of Pumping Station Buildings, Fixtures and Grounds.

Charge this account with all expenses for labor and material incurred in repairing buildings, fixtures and grounds, including permanent appa-

ratus foundation used exclusively for the pumping of water by steam power. (Exclude operating labor.)

NOTE—If water is also pumped at the station by other than steam power and the equipment for such other methods of pumping is housed in the same buildings and structures, the total cost of maintaining such jointly used buildings, fixtures and grounds will be apportioned over the appropriate *Maintenance* accounts of the respective groups of *Pumping* accounts.

B. Electric Power Pumping.

For *Electric Power Pumping* use the same division of accounts as given for *Steam Power Pumping*, except for "steam purchased," substitute "electric power purchased."

C. Water Purchased

(In Lieu of Water Pumped)

Commercial Water Purchased.

Charge this account with the cost of all water purchased for the purpose of redistribution and sale. Accounts are to be opened for each company or individual from whom such water is purchased, the account showing the name of the selling company or individual, the rate and the total cost of such water, which details will be called for in the annual report to the Commission.

D. Steam Generation (Apportionment Account)

Operating Labor.

Charge this account with all operating labor employed in connection with the generation of steam. This account will be charged with the salaries of superintendent of boiler house, boiler house foremen, firemen, helpers, shovelers, weighers, feed-pump men, stokers, water purification labor, blowing flues, cleaning boilers, labor employed at the boiler plant in handling coal and ashes, boiler plant janitors, watchmen, etc. If the general superintendent of the power plant has charge of the boiler plant, a proportion of his salary will be charged to this account. (Exclude maintenance labor.)

Fuel for Steam.

Charge to this account all fuel used for steam, whether coal, oil, gas or other fuel, at the cost f. o. b. point of delivery at plant for storage. This includes the invoice cost of the fuel, freight, switching, demurrage, cost of unloading from cars or boats to wagons and cartage to point of delivery at the plant for storage.

(Credit the *Fuel Stock* account with fuel as used.)

Water for Steam.

Charge this account with the actual amount of water used for boiler feed and condensing purposes. If water is purchased, charge at the contract price or the meter rate. If water is pumped by the accounting utility, charge here the cost of pumpage. (Water for fire protection and general purposes should not be charged to this account.)

Miscellaneous Steam Supplies and Expenses.

Charge to this account all operating supplies and expenses at the boiler plant not chargeable to the preceding accounts, as boiler room records, boiler compounds, boiler inspection, water purification supplies and expenses, water for fire protection and general use, light and heat at the

boiler plant, hose, packing, gaskets, boiler hand tools, lubricants, gage glasses, etc.

Maintenance of Boilers and Boiler Auxiliary Equipment.

Charge this account with all expense of labor and material used in repairing furnaces and boilers, special boiler foundations and settings, iron and steel smoke-stacks, feed pumps, water feed pipe, injectors, economizers, water heaters, superheaters, valves, grates, flues, mechanical stoker equipment, boiler room piping from the boiler to the engine throttle valve, steam exhaust system, boiler water supply mains, pumping equipment and similar auxiliary equipment.

NOTE—This account is included in the account *Maintenance of Boiler Plant Equipment.*

Maintenance of Coal and Ash Handling Equipment.

Charge this account with all expense of labor and material incurred in repairing coal and ash conveyors in the boiler plant, embracing trolley and cable towers, crushers, belt links, wheels, chutes and gates, conveyor cars, winches, motors, buckets, shafts, chains, etc.

NOTE—This account is included in the account *Maintenance of Boiler Plant Equipment.*

Maintenance of Boiler Plant Buildings, Fixtures and Grounds.

Charge to this account all expense of labor and material incurred in repairs to buildings, fixtures and grounds, including permanent foundations for apparatus, used exclusively for the generation of steam. If the boiler plant equipment is housed in one of the general works buildings, the repairs to such buildings will be apportioned so as to charge to this account the proper proportion of the total cost of repairs to such jointly occupied buildings, fixtures and grounds.

E. Pumping (Apportionment Account)

Water Utility Proportion of Total Pumping.

Charge this account with the proportion of the total cost of water pumped which is chargeable to the water utility. This account will be raised by those plants operating two or more utility services, or conducting commercial transactions together with the utility service, which are using a portion of the total water pumped. In such cases the pumping accounts as herein prescribed will be opened, the entire group of such accounts being regarded as an apportionment account and the total amount of water pumped apportioned over the several utilities or departments making a demand for water, charging to this account the total proportion of the pumping expense properly chargeable to the water utility.

II. DISTRIBUTION

Patrolling Storage Facilities.

Charge this account with the salaries and wages of all employees engaged in patrolling the distribution storage facilities. This includes the wages of the employees stationed at the distribution storage reservoirs, inspection of tanks and standpipes, etc. (Exclude maintenance labor.)

NOTE—This account is included in the account *Distribution System Operating Labor.*

Labor Removing and Resetting Meters.

Charge this account with all operating labor employed in removing and resetting meters on the premises of the consumers and placing meter connections in the course of the regular and periodical inspection of such meters. Where such work is performed by regular meter maintenance men, their time should be apportioned accordingly. (Exclude maintenance labor.)

NOTE—The cost of the original setting of each meter including one set of connections will be charged to the construction account *Meters* if it is the policy of the utility to capitalize such original setting.

NOTE—This account is included in the account *Distribution System Operating Labor.*

Street Department Labor.

Charge this account with all operating labor employed in the street department. This includes the salaries and wages of employees engaged in inspecting the distribution system, flushing mains and hydrants, pumping out hydrants, taking street pressure, repairing street department operating tools, clerical salaries for the street department and miscellaneous street department operating labor. (Exclude maintenance labor.)

NOTE—This account is included in the account *Distribution System Operating Labor.*

Meter and Fittings Department Labor.

Charge this account with all operating labor employed in the meter shop and fittings department. This includes the salaries and wages of meter shop clerks, employees keeping shop records and all operating labor in the meter shop or department not property chargeable to the accounts *Labor Removing and Resetting Meters* and *Maintenance of Meters.* (Exclude maintenance labor.)

NOTE—This account is included in the account *Distribution System Operating Labor.*

Customers' Premises Expenses.

Charge this account with all labor and material required for adjusting house piping, plumbing and water fixtures, including the cost of any new appliances or devices put in to better the service and not properly chargeable to repairs, investigating reports of poor service or large bills, including inspecting and testing of house plumbing, labor changing meters for request tests and inspecting new plumbing, including carfare, meals, etc., of employees engaged in such work.

NOTE—Repairing meters will be charged to the account *Maintenance of Meters.*

Street Department Supplies and Expenses.

Charge this account with all operating supplies and expenses of the street department. This includes tools used in such department and supplies used by street department employees, office supplies and expenses of such department and miscellaneous street department supplies. (Exclude maintenance supplies and expenses.)

NOTE—This account is included in the account *Distribution System Supplies and Expenses.*

Meter and Fittings Department Supplies and Expenses.

Charge this account with all supplies consumed and expenses incurred in the operation of the meter and fittings department. Expenses, such

as light, fuel, gas, electricity and water used for operating machinery and for testing in this department, and hand tools of the workmen will be charged to this account. This account should also include all expenses connected with the meter and fittings department not included in the accounts *Meter and Fittings Department Labor* and *Labor Removing and Resetting Meters*. (Exclude maintenance supplies and expenses.)

NOTE—This account is included in the account *Distribution System Supplies and Expenses.*

Maintenance of Transmission Mains.

Charge this account with all expenses for labor and material incurred in repairing, overhauling, changing position of or replacing transmission mains between the pumping station and distribution reservoirs, tanks, etc. This account covers such items as seeking and repairing leaks, repairing pipes and removing and replacing worn sections and fittings, calking, protecting exposed parts of undermined mains, digging and bracing in connection with such work, repaving, and repairing manholes, etc., together with all materials and supplies consumed in thawing pipes and scraping to remove incrustations. Credit the proper stock account with storeroom value of the materials charged to this account.

NOTE—This account is included in the account *Maintenance of Transmission Mains and Storage Facilities.*

Maintenance of Reservoirs, Tanks and Standpipes.

Charge this account with all expenses for labor and material in repairing distribution reservoirs, tanks and standpipes. This includes repairs to masonry and linings due to settlement of underlying material, frost action, or from other causes; calking and repairing with cement grouting, asphalt or other waterproof material; painting and calking standpipes and tanks, replacing parts due to decay or excessive corrosion or electrolysis, and replacement of hoops, repairs to valves, etc.

NOTE—This account is included in the account *Maintenance of Transmission Mains and Storage Facilities.*

Maintenance of Distribution Mains.

Charge this account with all expenses for labor and materials used in repairing, overhauling, changing position of or replacing distribution mains. This account covers such items as seeking and repairing leaks, repairing pipes or removing and replacing worn sections and fittings, calking, protecting exposed parts of undermined mains, digging and bracing in connection with such work, repaving, repairing manholes, and the cost of steam, electricity and other supplies used and expenses incurred in thawing such mains and removing incrustations. Credit the proper stock account with the storeroom value of the pipes and fittings charged to this account.

Maintenance of Services.

Charge this account with all expenses for labor and materials incurred in repairing, overhauling and changing position of water service connections. This covers such expenses as seeking and repairing leaks, cleaning and scraping out service pipes; repairing and renewing service pipe connections to meters, including stop cocks, service boxes and the cost of repairing the same. Charge this account also with the cost of changing and extending old service pipes to put meters in better location, and

the expense for materials and supplies incurred in thawing services. Extending new services to give better location for meters will be charged to the construction account *Services*.

Maintenance of Hydrants.

Charge this account with all expenses for labor and materials incurred in repairing hydrants. This includes repairs and renewals of parts, including digging and filling in connection with such repairs, painting hydrants, replacing worn fittings, protecting exposed parts of undermined hydrants and connections, and changing location of hydrants.

Maintenance of Meters.

Charge this account with all expenses for labor and material in repairing water meters. This includes readjusting, painting, replacing worn gears, wearing parts and dials, testing and repairing old meters, repairing and replacing connections, meter fittings, etc., meter unions and cocks and changing meters for routine tests, etc.

NOTE—The average cost of one set of meter connections should be charged to the construction account *Meters* if it is the policy of the utility to capitalize the cost of such original setting.

Maintenance of Fire Cisterns and Basins.

Charge this account with all expenses for labor and material in repairing fire cisterns and basins in the distribution system. This includes repairs to masonry and lining due to settlement of underlying material, frost action or from other causes; calking and repairing with cement grouting, asphalt or other waterproof material, replacing worn parts due to decay or other causes and repairs and renewals to connecting piping and fittings.

NOTE—This account is included in the account *Maintenance of Fire Cisterns, Basins, Fountains and Troughs.*

Maintenance of Fountains and Troughs.

Charge this account with all expenses for labor and materials incurred in repairing, overhauling and changing positions of fountains and troughs. This includes repairs and renewals of parts, painting, repairs to foundations and settings, connections, etc.

NOTE—This account is included in the account *Maintenance of Fire Cisterns, Basins, Fountains and Troughs.*

Maintenance of Distribution Buildings, Fixtures and Grounds.

Charge to this account all expenses for labor and materials incurred in repairing buildings, fixtures and grounds devoted exclusively to the distribution system.

III. COMMERCIAL

Collection Salaries and Commissions.

Charge this account with all salaries of the collection department employees, from the taking of applications for water service to the depositing of proceeds from collection in the bank. This includes not only the salaries of employees whose entire time is engaged in the collection department, but the proper proportion of the salaries of employees who are partly engaged in other departments. Charge also with fees and commissions paid for collecting bills.

NOTE—This account is included in the account *Collection Expenses.*

Reading Meters and Delivering Bills.

Charge this account with all salaries and wages of meter readers and employees engaged in delivering bills for water.

NOTE—This account is included in the account *Collection Expenses.*

Collection Supplies and Expenses.

Charge this account with all supplies and expenses of the water utility collection office not otherwise provided for, including supplies and expenses of outside collectors and meter readers. Stationery, stamps, etc., and surety bonds of collection department employees will also be charged to this account if it is desired to distribute such expenses.

NOTE—This account is included in the account *Collection Expenses.*

IV. GENERAL

Salaries of General Officers.

Charge this account with the salaries of general officers including the president, vice-presidents, general manager, secretary, treasurer, comptroller, auditor, and all other officers whose jurisdiction extends over the entire business and whose services are not chargeable to any particular department.

NOTE—This account is included in the account *General Office Salaries.*

Salaries of General Office Clerks.

Charge this account with the salaries of all clerks and assistants connected with the general offices, except such as may be directly engaged in other departments, in which case their compensation should be charged to such department directly. Where general office clerks also perform services for other departments, their compensation will be apportioned accordingly and charged to the respective departmental accounts.

NOTE—This account is included in the account *General Office Salaries.*

General Office Rent.

Charge this account with all rent paid for general offices of the water utility.

NOTE—This account is included in the account *General Office Supplies and Expenses.*

Miscellaneous General Office Supplies and Expenses.

Charge this account with the cost of all office supplies and expenses, newspapers and periodicals, messenger and janitor service, directories, telegrams, exchange on remittances, etc. Charge also with the cost of books, stationery, telephone, etc., if it is desired to distribute such expenses.

NOTE—This account is included in the account *General Office Supplies and Expenses.*

Law Expenses—General.

Charge to this account all law expenses except those incurred in connection with the defense and settlement of injury and damage claims. Charge with salaries and expenses of counsel, solicitors and general attorneys, their clerks and attendants, etc. Charge also with the cost of law books, printing briefs, legal forms, testimony, reports, fees and retainers of general counsel and attorneys, court costs, and payments of specific notarial and witness fees, expense of taking depositions and other gen-

eral law and court expenses. Expenses of arbitrators of disputed points will also be charged to this account.

NOTE—Salaries, fees and retainers of counsel and attorneys engaged in the defense and settlement of injury and damage suits will be charged to the account *Injuries and Damages.*

Miscellaneous General Expenses.

Charge this account with the cost of all miscellaneous general expenses, embracing such items as publishing annual reports in newspapers, advertising notices of stockholders' meetings, dividend notices and other corporate and financial notices of a general character; traveling expenses of the general officers and others connected with the general office, association dues, expenses attending conventions and meetings; subscriptions, donations and gratuities; fees of transfer agents, registrars of stock and fiscal agents; directors' fees, and contingent expenses of management not otherwise provided for.

Maintenance of General Office Equipment.

Charge this account with the expense of all labor and material incurred in the repair of the general office equipment, including furniture and furnishings, office apparatus and appliances.

Maintenance of General Office Buildings, Fixtures and Grounds.

Charge this account with the expense of all labor and material included in the repair of the general office buildings, fixtures and grounds, including elevators, vaults, heating and lighting fixtures, and appurtenant sidewalks, lawns, fences, drives, etc.

V. UNDISTRIBUTED

The undistributed accounts included in this group may be treated as ledger accounts and the total charges so shown in the annual report to the Commission, or the reporting utilities may distribute the total of the accounts over certain of the other departmental operating expense accounts, charging the latter with such proportions of the total of each undistributed account as appears reasonable and just in the premises. Wherever these accounts are distributed over the accounts for whose benefit the expenses have been incurred, the details of such clearing operations shall be reported in the annual report to the Commission, showing the total of each of the distributed accounts, the accounts into which they were closed, together with the amount closed into such accounts, in order that such amounts may be deducted by the Commission for purposes of analytical comparison.

Injuries and Damages.

Charge this account will all damages to or destruction of property other than that owned by the utility, charging with the cost of restoring the property less insurance or legal damages allowed, and with all expenses incident to injury and death to employees and other persons for whose injury or death the utility is held liable or in the settlement of which claim allowances are made. This embraces judgments for damages and plaintiff's court costs; proportion of salaries and expenses or fees of physicians and surgeons, expenses of undertakers, nurses and hospital attendants; medical and surgical appliances; contributions to hospitals; transportation of injured persons; and wages and salaries paid to employ-

ees while disabled. The salaries and expenses of the utility's claim agents, adjusters, and their assistants, will be charged to this account. The compensation of general solicitors and counsel of the utility or other attorneys while engaged in the defense and settlement of damage suits will be charged to this account.

Utilities are at liberty to subdivide this account to show the following expenses:

a. Injuries to Persons.
b. Damages to Property.

When such subdivisions are not made, the charges to this account should be so made as to admit of their separation over such two subdivisions when called for by the Commission.

Insurance.

Charge to this account all premiums paid to insurance companies for fire, casualty, boiler, fidelity, burglar and all other insurance. If it is desired to open an *Insurance Reserve*, all amounts set aside for insurance and charged against operating expenses should be credited to such *Insurance Reserve*.

TAXES

This account shall cover all taxes chargeable against the water utility. Where the reporting utility is also engaged in transactions outside the scope of its duties as a public utility, this account shall be subdivided into the following two sub-accounts, to be maintained separately:

a. Taxes Chargeable Against Water Utility.
b. Taxes Chargeable to Nonoperating Transactions.

To each such tax account there shall be charged monthly the amount of taxes accrued during the month, and such amount shall be credited to the account *Taxes Accrued* (or *Prepaid Taxes*, if such taxes are prepaid) or the appropriate subdivision of such accounts. The amount of taxes accrued during any month shall, when the levy is unknown, be estimated, and when the levy is finally determined the estimate shall be corrected in the provision for taxes during the remainder of the year. For example, if at the beginning of the tax year the taxes against the utility are estimated to be $600 for the year, the monthly charge on account of such tax will be $50, crediting the same to the *Taxes Accrued Account* or *Prepaid Taxes*, as the case may be, until the amount of the levy becomes definitely known. If during the fifth month it is found that the levy for the year is $640 instead of $600, there will already have been charged for four months the $50 per month, leaving $440 to be charged during the remainder of the year, or $55 for the fifth month and each succeeding month during the remainder of the year.

Such taxes as pertain to two or more utility services, or to operating and nonoperating transactions alike, shall be apportioned with regard

to such departments or subdivisions upon a basis which appears reasonable and just, such basis to be reported in the annual report to the Commission.

DEDUCTIONS FROM GROSS INCOME

CONTRACTUAL ACCOUNTS

Interest on Funded Debt.

Charge this account monthly with all the interest accrued on the outstanding funded indebtedness of the water utility. Credit such monthly charge to the account *Unmatured Interest on Funded Debt Accrued.* When the interest has matured, charge it to the account *Unmatured Interest on Funded Debt Accrued* and credit the account *Matured Interest on Funded Debt Unpaid.* When such interest is paid, charge the account *Matured Interest on Funded Debt Unpaid* and credit *Cash* or the coupon deposit account.

Interest on Real Estate Mortgages.

Charge this account monthly with all the interest accrued on outstanding obligations of the water utility secured by real estate mortgages. Credit such monthly charge to the account *Unmatured Interest on Funded Debt Accrued* (mortgage obligations with respect to this account being considered as funded if they do not mature until more than one year after the date of issue). When the interest has matured, charge it to the account *Unmatured Interest on Funded Debt Accrued* and credit the account *Matured Interest on Funded Debt Unpaid.* When such interest is paid, charge the account *Matured Interest on Funded Debt Unpaid* and credit *Cash* or other appropriate account.

Interest on Floating Debt.

Charge this account monthly with the interest accruing on all unfunded or floating obligations on which the water utility is liable. Credit such monthly charges to the account *Unmatured Interest on Notes and Bills Payable Accrued.* When the interest has matured, charge it to the account *Unmatured Interest on Notes and Bills Payable Accrued* and credit the account *Matured Interest on Notes and Bills Payable Unpaid.* When such interest is paid, charge the account *Matured Interest on Notes and Bills Payable Unpaid* and credit *Cash* or other appropriate account.

Contractual Sinking Fund Requirements.

Charge to this account monthly all accruals required to be made to sinking funds in accordance with the provisions of trust deeds, mortgages or other contracts requiring the establishment of sinking funds. Such charges will be credited to the *Sinking Fund Reserve.* All accruals to reserves or other funds, created voluntarily by the utility and not in pursuance of the provisions of any mortgage or other contract or of the requirements of law, shall be excluded therefrom.

BALANCE SHEET ACCOUNTS

BALANCE SHEET FORM FOR REPORT

ASSETS

PROPERTY AND PLANT:
- Cost Beginning of Year.
- Construction and Equipment Current Year.
- Cost Close of Year.

TREASURY SECURITIES:
- Treasury Stock.
- Treasury Bonds.

INVESTMENTS:
- Stocks and Bonds of Other Companies.
- Other Investments.

RESERVE, SINKING AND SPECIAL FUND ASSETS:
- Sinking Fund.
- Special Funds.

CURRENT ASSETS:
- Cash.
- Notes and Bills Receivable.
- Accounts Receivable.
- Interest and Dividends Receivable.
- Material and Supplies.
- Sundry Current Assets.

PREPAID ACCOUNTS:
- Prepaid Insurance.
- Prepaid Taxes.
- Prepaid Interest.
- Sundry Prepaid Accounts.

Open Accounts.
Deficit.
Total Assets.

BALANCE SHEET FORM FOR REPORT—(Continued.)

LIABILITIES

CAPITAL LIABILITIES:
- Capital Stock Preferred.
- Capital Stock Common.
- Funded Debt.

MORTGAGE LIABILITIES:
- Real Estate Mortgages.
- Other Mortgages.

CURRENT LIABILITIES:
- Notes and Bills Payable.
- Accounts Payable.
- Matured Interest on Funded Debt Unpaid.
- Matured Interest on Notes and Bills Payable Unpaid.
- Dividends Unpaid.
- Deposits.
- Sundry Current Liabilities.

ACCRUED LIABILITIES:
- Insurance Accrued.
- Taxes Accrued.
- Unmatured Interest on Funded Debt Accrued.
- Unmatured Interest on Notes and Bills Payable Accrued.
- Dividends Accrued.
- Sundry Liabilities Accrued.

Open Accounts.

RESERVE, SINKING AND SPECIAL FUND LIABILITIES:
- Sinking Fund.
- Special Funds.

Surplus.

Total Liabilities.

DETAILED ACCOUNTS WITH TEXT

CONSTRUCTION AND EQUIPMENT ACCOUNTS

INTANGIBLE CAPITAL

Organization.

Charge to this account all fees paid to governments for the privilege of incorporation and all fees and other expenditures incident to organizing the water utility business. This includes the cost of preparing and distributing prospectuses, cost of soliciting subscriptions for stock (but not for loans nor for the purchase of bonds or other evidences of indebtedness), cash fees paid to promoters, and the actual cash value at the time of organization of securities paid to promoters for their services in organizing the enterprise, attorney's fees, cost of preparing and issuing certificates of stock, and cost of procuring certificates of convenience and necessity from the Commission, and other similar expenses. This account shall not be charged with any discounts on securities issued, nor shall it include any costs incident to negotiating loans or selling bonds or any other evidence of indebtedness. Expenses incident to an increase of the capital stock, and the negotiation and sale of stock thereunder, and expenses of preparing and filing certificates of amendment to the articles of incorporation, shall be charged to this account.

Franchises.

Charge to this account the actual amount paid to the State or to a political subdivision thereof in consideration for any franchise deemed necessary to the conduct of the water utility service. If any such franchise is acquired by purchase, the charge to this account, in respect thereof, shall not exceed the amount so actually paid therefor by the water utility to its assignor. If any franchise has a life of not more than one year after the day when it is placed in service or in effect, it shall not be charged to this account but to the appropriate operating expense account. Expenses in procuring franchises covering additional territory to be operated as a part of the existing system may be charged to this account. Payments made to state authorities or to any subdivision thereof, in consideration for granting extension of any franchise having a life in service of more than one year from the date of the grant, shall be considered as a renewal.. If the franchises cover separate and distinct new enterprises, payments therefor shall be classed as original and charged to this account.

Rights, Licenses, Etc.

Charge to this account the cost of all rights, licenses and other intangible assets having a life of more than one year from the date when placed in service, acquired by the utility in or under valid patent grants by the United States to inventors for inventions and discoveries which are necessary or valuable to the economical conduct of the water business, etc. If such right is extended to cover a further period of time than

that covered by the original grant, the cost of such extension shall be classed as a renewal. A patent right acquired for use in an existing system and necessary to the economical operation thereof, shall be classed as an addition.

NOTE—Utilities are at liberty to open sub-accounts showing the total cost of any class of rights or single patent.

TANGIBLE CAPITAL

Lands Used in Operation of Property

Accounts shall be opened as indicated below, to which shall be charged the cost of all land used and useful in the operation of the water utility whose term of enjoyment is over one year from the grant thereof. The cost of land shall include the purchase price, the cost of registration of title, cost of examination of title, surveyors' and notaries' fees, purchasing agent's commission, the fees and taxes accrued to date from transfer of title, and all liens upon title acquired; also the cost of obtaining consents and payments for abutting property damages. The cost of any buildings, fixtures and improvements made to the land purchased, must not be charged to these accounts. If at the time of acquisition of any interest in land it extends to buildings or other improvements thereon, which improvements are devoted by the water utility to its water service and the contract of acquisition does not determine the price of such buildings or improvements, they shall be appraised at their fair cash value for use in such operations, and such appraised value shall be charged to the proper *Buildings, Fixtures and Grounds* account, and excluded from the *Land* account. If such improvements are not devoted to water operations, but are devoted to other operations or are held as investment, the cost (or appraised value if the cost is not determined by the contract) shall be charged to an appropriate investment account.

Pumping Station Land.

Charge this account with the cost of all land as above defined, occupied by the pumping station and all land necessarily used in connection with processes performed on such water before its delivery to the transmission or distribution mains.

NOTE—Utilities are at liberty to open sub-accounts showing the cost of land devoted to any particular use as *Steam Power Pumping Station Land, Hydraulic Power Pumping Station Land*, etc.

Source of Water Supply Land.

Charge this account with the cost of all land as above defined obtained and used in connection with the source of water supply. This includes land purchased for impounding reservoirs, artificial lakes and ponds, embankments, channels, waste-weirs, land containing springs and other surface source of supply and land purchased for wells and ground water supply.

Reservoir, Tank and Standpipe Land.

Charge this account with the cost of all land as above defined occupied by storage reservoirs, tanks, water towers, standpipes, etc., together with all expenses incurred in obtaining such land.

General Office Land.

Charge this account with the cost of all land as hereinbefore defined, occupied by the general office buildings of the water utility.

Stores Department Land.

Charge this account with the cost of all land as above defined occupied by storage buildings and structures, or used as storage yards.

Utility Equipment Land.

Charge this account with the cost of all land as hereinbefore defined occupied by barns, stables, automobile and vehicle and other utility equipment storage structures and land appurtenant thereto.

Buildings, Fixtures and Grounds Used in Operation of Property

Accounts shall be opened as indicated below, to which shall be charged the cost of all buildings, structures and improvements in the lands used and useful in the furnishing of water service. Such buildings, structures and fixtures include pumping stations, purification and reservoir structures, intake structures, steam producing structures, coal and other fuel sheds, and other storage buildings and structures, barns, stables and all fixtures attached to such buildings and a permanent part thereof, together with fences, walks, trestles, drives, grading and improvements of grounds. Machinery foundations and settings, if designed as a part of the permanent construction of the buildings and independent of their use in connection with any particular unit of equipment, shall be charged to the appropriate *Buildings, Fixtures and Grounds* account. If, however, such foundations and settings are prepared especially for certain units of equipment and designed to last no longer than such unit, their cost will be charged to the proper *Equipment* account. The following accounts will be raised:

Steam Power Pumping Station Buildings, Fixtures and Grounds.

Charge to this account the cost of all buildings, fixtures and grounds used for the pumping of water by steam power, including all processes performed upon such water prior to its entrance into the transmission or distribution mains. Such structures include pumping station buildings, permanent machinery and apparatus foundations, outbuildings, tool houses, etc., and all appurtenant walks, fences, drives, tramways, trestles and all fixtures permanently attached thereto and a part thereof.

Electric Power Pumping Station Buildings, Fixtures and Grounds.

Charge to this account the cost of all buildings, fixtures and grounds used in the pumping of water by electric power, including all processes performed upon such water before its delivery to the transmission or distribution mains. Such structures include pumping station buildings, together with permanent machinery and apparatus foundations, tool houses, outbuildings and appurtenant walks, fences, drives, tramways, trestles, and all fixtures permanently attached thereto and a part thereof.

Boiler Plant Buildings, Fixtures and Grounds.

Charge this account with the cost of all buildings, fixtures and grounds devoted to the generation of steam, all permanent foundations and settings for machinery and apparatus and appurtenant walks, fences, drives and tramways and all fixtures permanently attached to such structures and made a part thereof.

Source of Water Supply Buildings, Fixtures and Grounds.

Charge to this account the cost of all buildings, fixtures and grounds purchased or erected in connection with the source of water supply. This

includes reservoir structures, impounding embankments, channels, gate structures, open wells, tubular wells, artesian wells, filter gallaries, etc., together with all appurtenant walks, fences, drives, and all fixtures permanently attached thereto and a part thereof.

Reservoir, Tank and Standpipe Buildings, Fixtures and Grounds.

Charge to this account the cost of all buildings, fixtures and grounds used for reservoirs, tanks, water towers and standpipe purposes. This includes the buildings and structures together with permanent foundations and all supporting masonry and steel work, together with appurtenant fences, drives, and fixtures permanently attached thereto and a part thereof.

Distribution Buildings, Fixtures and Grounds.

Charge to this account the cost of all buildings and structures devoted to the distribution of water from the pumping station to the consumers' meters or building connections. Such structures will include distribution department offices, buildings and structures at distribution reservoirs, etc., together with all appurtenant walks, fences, drives, tramways, etc., and all fixtures permanently attached to such buildings and structures and a part thereof.

General Office Buildings, Fixtures and Grounds.

Charge to this account the cost of all buildings, fixtures and grounds devoted to general office purposes of the water utility and not includible in any of the preceding departmental buildings accounts, also all fixtures permanently attached thereto and a part thereof, such as heating and plumbing systems, electric wiring, permanent building vaults, together with appurtenant walks, fences, drives, etc.

Stores Department Buildings, Fixtures and Grounds.

Charge this account with the cost of all buildings and structures of the water utility used for storage purposes, such as coal and other fuel storage sheds, pipe and fittings buildings, together with all fixtures permanently attached thereto and a part thereof, and fences, drives, walks, tramways, trestles, etc.

Utility Equipment Buildings, Fixtures and Grounds.

Charge this account with the cost of all buildings, fixtures and grounds devoted to stable, barn, garage or other utility equipment storage purposes, and all fixtures permanently attached thereto and a part thereof, and appurtenant fences, drives, walks, etc.

Pumping Station Equipment

Accounts shall be opened as indicated below to which shall be charged the cost of all equipment and apparatus used in the pumping of water and all processes performed upon it at the station up to its delivery to the transmission or distribution mains. It is desired that the cost of all apparatus shall be so classified and charged that the cost of apparatus used in connection with the pumping of water by any particular motive power will be shown by the account covering such pumping station equipment. The following accounts will be raised:

Steam Power Pumping Station Equipment.

Charge this account with the cost of all steam power pumping equipment. This includes the cost of steam pumps where the steam and water

cylinders are placed in the same machine and where the power pump is distinct from the steam prime movers, either reciprocating engines or turbines; condensers, vacuum pumps and oiling systems; power transmission equipment such as shafting, belting, rope and cable drives, gearing, clutches, pulleys and idler wheels; and auxiliary motors, hoists, cranes, and pumping station tools, together with necessary valves, governors, etc.

NOTE—Utilities desiring to do so may subdivide this account into the following:

a. Steam Engines and Turbines.
b. Pumps and Pump Equipment.
c. Steam Power Pumping Station Auxiliary Equipment.

Electric Power Pumping Station Equipment.

Charge this account with the cost of all equipment of the electric power pumping station. This includes the cost of power pumps and pumping equipment, electric prime movers used for operating such power pumps, together with switchboards and auxiliary electrical equipment, and power transmission equipment such as shafting, belting, rope and cable drives, gearing, clutches, pulleys and idler wheels and auxiliary motors, hoists, cranes, blacksmiths' and machinists' tools, etc.

NOTE—Utilities desiring to do so may subdivide this account as follows:

a. Electric Prime Movers.
b. Pumps and Pump Equipment.
c. Electric Power Pumping Station Auxiliary Equipment.

Boiler Plant Equipment.

Charge to this account the cost of all equipment devoted to the generation of steam. Charge with the cost of furnaces, boilers, their foundations and settings, boiler fittings, iron and steel smoke-stacks, feed pump, water feed pipe, injectors, economizers, water heaters, superheaters, valves, flues, steam pipes from the boilers to the engine throttle valves, steam exhaust system, boiler water purification equipment, mechanical stokers, cranes, coal and ash conveyors, steam traps, crushers, belt links, wheels, chutes and gates, conveyor cars, winches, motors, buckets, shafts, chains and similar auxiliary equipment in the boiler plant.

Collecting Aqueducts, Intakes and Supply Mains.

Charge this account with the cost of all aqueducts, intakes and supply mains used for gathering and collecting water and transmitting the same from the source of supply to the pumping station. This includes the cost of masonry and concrete aqueducts and channels, piping and conduits, together with the necessary bracing, digging and repaving in connection therewith and all necessary valves, screens, wet wells, gratings, submerged and exposed cribs, intake towers, sluice-gates, etc.

Purification System.

Charge this account with the cost of all apparatus and equipment used for purification of water. This includes settling basins, filter beds, mechanical filters and all auxiliary apparatus for purifying water, whether by plain sedimentation, sedimentation with coagulation, chemical treatment for softening and removal of organic or mineral impurities, together with any protecting structures erected in connection therewith.

Transmission Mains.

Charge to this account the cost of all transmission mains used for delivering water from the pumping station to the distribution reservoirs or mains. This includes the cost of all trenching, placing transmission

main pipe, special castings, lead packing, shut-offs, manholes, valves and the cost of filling trenches and restoring the surface of the street to its former condition or that required by the municipal authorities at the time such transmission main is installed.

Distribution

Mains.

Charge to this account the cost of all distribution mains in place. This includes all mains used in the distribution of water to the beginning of the service connections including the cost of all trenching, placing distribution main pipe, special work and castings, lead packing, shut-offs, manholes, valves and the cost of filling trenches and restoring the surface of the ground to its former condition or that required by the municipal authorities at the time such main is installed.

Services.

Charge to this account the cost of the water utility's property in services in or leading to the consumers' premises. This includes the cost of material in place, the cost of trenching for placing services, service pipe, service boxes, stopcocks, etc., and the cost of filling trenches and restoring the surface to its proper condition. Where consumers are required to pay part or all of the cost of services, only that portion of the cost not chargeable to the consumers is chargeable to this account, and in all cases where only a portion of the cost of the service is chargeable to this account the entry thereto shall show the entire cost of the services as well as the cost charged to this account. Where services extending only from the main to the curb or to the lot line are placed before actually required for the purpose of supplying consumers, the entry of the cost should show that fact. Such services will be required to be separately reported in the annual report to the Commission.

Hydrants.

Charge to this account the cost of water utility's property in all hydrants placed in the distribution system. This includes the cost of all material in place, the cost of trenching for placing hydrants, hydrant connections, etc., and the cost of filling trenches and restoring the surface to its proper condition.

Meters.

Charge to this account the cost of water utility's property in all meters used in measuring water sold to consumers. This includes the cost of the first setting of the meters including the first set of meter fittings and connections in the premises of the consumers, or such portion of the cost as is borne by the utility. The cost of changing the position of the meter or its removal should not be charged to this account.

Fire Cisterns, Basins, Fountains and Troughs.

Charge this account with the cost of the utility's property in all fire cisterns, basins, fountains and troughs. This includes the cost of all masonry and concrete work in connection with the construction of any cisterns and basins and all foundations and settings for fountains and troughs, together with the cost of all materials used in construction, and digging and trenching in connection therewith, and restoring the pavement to its original condition or that required by municipal ordinances.

General Office Equipment.

Charge to this account the cost of all equipment of the general office of the water utility, embracing such items as office furniture and furnishings, movable safes, filing-cases and devices, typewriters, adding machines, addressographs and sundry office equipment having an expectancy of life in service exceeding one year.

Stores Department Equipment.

Charge to this account the cost of all equipment in the water utility storage department. This includes loading and unloading machinery, derricks, cranes, hoists, conveying apparatus, etc.

Utility Equipment.

Charge this account with the cost of all utility equipment. This includes wagons, drays, trucks, harnesses, horses, automobiles, bicycles, motorcycles, industrial tramways, etc.

Miscellaneous Equipment.

Charge to this account all equipment not includible in any of the preceding classified capital accounts, embracing such items as shop appliances, shop and laboratory tools, work tools and instruments, street department work tools and instruments, and other miscellaneous equipment.

NOTE—Utilities are at liberty to subdivide this account to show the cost of any class of such miscellaneous equipment.

Miscellaneous Construction and Equipment Expenditures

Accounts shall be opened as indicated below to which shall be charged all expenditures incurred during construction and before the operation of the water utility, of the character indicated by the title of the accounts. If expenditures are incurred for the service of engineers, superintendents and other technical skill of an advisory character during the process of construction and such items are not chargeable to any of the following accounts, there may be opened the account *Engineering and Superintendence.*

The following detailed accounts should be kept of the expenditures during construction:

Salaries During Construction.

Charge this account with the salaries of all general officers and general office assistants during the period of construction of the water utility plant and up to the pumping, distribution and sale of water.

Office Supplies and Expenses During Construction.

Charge this account with the cost of all office supplies and expenses incurred during the process of construction of the plant up to the time of pumping and sale of water, such as messenger and janitor service, rent of premises occupied during construction, water, light, heat, telegrams, exchange on remittances, etc.

Stationery and Printing During Construction.

Charge this account with the cost of all stationery, printing, postage, blanks, record books, etc., used during the construction of the plant and up to the time of pumping, distribution and sale of water.

Law Expenses During Construction.

Charge to this account all law expenses incurred during the period of construction of the water works. Charge with the salaries and expenses of counsel, solicitors and general attorneys, their clerks and attendants, etc. Charge also with the cost of law books, printing briefs, legal forms, testimony, reports, fees and retainers of the general counsel and attorneys, court costs and payments of specific notarial and witness fees, expense of taking depositions, and general law and court expenses during construction. Expenses of arbitrators of disputed points will also be charged to this account. When any of the expenditures above enumerated can be charged directly to the account for whose benefit they were incurred, they shall be so charged and not to this account. Thus, expenditures in connection with the acquisition of land to be occupied by the works shall be charged to the appropriate construction account. Law expenses in connection with the organization of the utility, whenever such can be definitely ascertained, shall be charged to the account *Organization*.

Injuries and Damages During Construction.

Charge to this account all damages to or destruction of property other than that owned by the utility, caused directly in connection with the construction of the water works, and all expenses incident to injuries or death of employees and other persons for which injuries or death the utility is held liable or in the settlement of which claims allowances are made. This includes such items of expense as judgments for damages and plaintiff's court costs; proportion of salaries and expenses or fees of physicians and surgeons, expenses of undertakers, nurses and hospital expenses, medical and surgical supplies, contributions to hospitals during the period of construction of the plant, transportation of injured persons and wages and salaries paid to employees while disabled. The salaries and expenses of the utility's claim agents, adjusters and their assistants while engaged upon settling such claims arising during construction will be charged to this account. The compensations of the general solicitors or counsel of the utility while engaged in the defense and settlement of damage suits will also be charged to this account.

Insurance During Construction.

Charge to this account all premiums paid to insurance companies for fire, casualty, boiler, fidelity and other insurance covering risks during construction of the water works and its equipment.

Taxes During Construction.

Charge to this account all taxes and assessments levied and paid on property belonging to the water utility while under construction and before the plant has begun operations, except special assessments for street and other improvements such as grading, curbing, paving, sidewalks, sewer, etc., which shall be charged to the account to which the property benefited has been charged.

Interest During Construction.

Charge to this account the interest accrued upon all money, and claims payable upon demand, acquired for use in connection with the construction and equipment of the water works from the time of such acquisition until the works are ready for commercial use. Interest

receivable accrued upon such moneys and claims shall be credited to this account.

Discount on Bonds During Construction.

To this account may be charged the discount on bonds sold for construction purposes. The entries to such account shall be made with sufficient detail to permit of their identification and shall show the date when the bonds to which the discount applies were authorized, when issued and when sold, to whom sold, the amount realized from the sale, purpose for which the bonds were sold, and the application of the proceeds; all of which details will be called for by the Commission.

Miscellaneous Expenditures During Construction.

Charge to this account all expenditures incurred during construction not includible in any of the preceding accounts.

Cost of Plant Purchased (in Lieu of Plant Constructed).

Charge to this account the cost of the water works purchased in case the plant of the utility is obtained by purchase instead of being constructed by it. The entry to this account should show with sufficient detail the name of the parties from whom purchased, the purchase price and all other facts pertinent to such sale, which details will be called for by the Commission.

TREASURY SECURITIES

Treasury Securities.

Charge to this account the par value of all stocks and bonds which have been authorized and issued by the utility or assumed by it or held by the treasurer or other fiscal agent of the utility for its benefit but which have not been sold. When such securities are sold their par value will be credited to this account.

NOTE—This account may be subdivided into the two following accounts:

a. Treasury Stock.
b. Treasury Bonds.

INVESTMENTS

Investments.

By investments, as here used, is meant the cost of the water utility's title to or interest in all properties acquired, not for use in present operations but for the income to be derived from them, for a rise in value, for the control of some private business or other utility service, or for devotion to future operations at a time when the acquisition of such properties will not be possible under such favorable circumstances. In the annual report to be made to the Commission these investments will be required to be classified as to their character and with sufficient detail as to permit of their clear identification, showing the par value of all such stocks or bonds or other investments with the rate of return thereon, the amount of income received therefrom and the book value. Stocks, bonds or other property in which the funds of *Reserves* of the utility have been invested will not be shown in this account but as investments of the respective reserves, and so shown in the balance sheet to be contained in the report to the Commission.

RESERVE ACCOUNTS

Sinking Fund Reserves.

Sinking fund reserves shall be maintained whenever they are required in pursuance of the provisions of mortgage deeds, deeds of trust, contracts or provisions of the law. A separate *Sinking Fund Reserve* shall be maintained for each contractual requirement, to which reserve shall be credited any appropriation made in pursuance of the terms of the respective mortgage and trust deeds, contracts, etc., and charged to the account *Contractual Sinking Fund Requirements* and also accumulations resulting from any security belonging to such particular reserve. The title of each reserve shall clearly indicate the purpose for which it is being maintained.

An analysis of the charges and credits to this reserve will be called for in the annual report to the Commission.

CURRENT ASSETS

Cash.

Charge to this account all money coming into the possession of the water utility and in which the utility has the beneficial interest. Also charge it with all bank credits, checks and drafts receivable subject to satisfaction or transfer upon demand, whether payable to bearer or to order. All cash disbursements should be credited to this account.

Notes and Bills Receivable.

Charge to this account the cost of all notes and bills receivable which are the property of the water utility and upon which solvent concerns or individuals are liable or which are sufficiently secured as to be considered good. This account includes demand notes, drafts, etc., issued by others than banks, and time notes, drafts, etc., by whomsoever issued. This account does not include investments nor the interest or dividends receivable from investments.

Accounts Receivable.

Charge to this account all amounts owing to the water utility upon accounts with solvent concerns other than banks; also all accounts and claims upon which responsibility is acknowledged by solvent concerns or individuals or which are sufficiently secured to be considered good and of all judgments against solvent concerns where the judgments are not appealable or suspended through appeal. Negotiable instruments will not be charged to this account.

Interest and Dividends Receivable.

When the water utility becomes entitled to demand any interest or dividend from solvent concerns the amount to which it thus becomes entitled shall be charged to this account and shall be credited to the appropriate account in the *Income Account*. This account includes interest on matured accounts with solvent concerns and upon judgments against solvent debtors where such judgment has not been suspended as well as interest upon the commercial paper of solvent concerns. It does not include unmatured interest nor dividends not yet declared.

Materials and Supplies

Fuel.

Charge this account with the cost of all fuel purchased for the water utility at its cost delivered alongside the utility's storage, unless purchased delivered in coal shed or to the place of storage. The account *Fuel Stock Expense* will be closed into this account monthly. Credit this account with fuel used.

This account may be subdivided into accounts *a*, *b* and *c*, if desired, in order to give information regarding the cost of different kinds of fuel. Credit this account with all fuel used.

NOTE—*Fuel Stock Expense.* Charge this account with the labor of weighing, unloading, piling and trimming fuel in shed or in unloading fuel from cars and boats, including cost of operating hoisting apparatus, including also the cost of shovels and other hand tools and repairs to the same. (This account will be closed monthly into the *Fuel Stock Account.*)

Pumping Station Supplies.

Charge this account with all pumping station supplies such as lubricating oils, graphite, wipers, waste, station tools, etc., including the freight and handling cost of the same. Credit with the cost of material withdrawn from stock for use.

Main Piping.

Charge this account with the invoice cost, freight and cost of handling of all main piping. Credit this account with all such material as used, charging the appropriate operating expenses or construction account, as the use of the material in question determines.

Service Piping.

Charge this account with the invoice cost, freight and cost of handling of all service piping. Credit this account with all such material as used, charging the appropriate operating expense or construction account, as the use of the material in question determines.

Fittings.

Charge this account with the invoice cost, freight and cost of handling of all pipe fittings, valves, stopcocks, etc. Credit this account with all such material as used, charging the appropriate operating expense or construction account, as the use of the material in question determines.

Meters.

Charge this account with the invoice cost, freight and cost of handling all meters. Credit this account with the meters removed from stock room, charging the appropriate operating expense or construction account, as the nature of the case requires.

Hydrants.

Charge this account with the invoice cost, freight and cost of handling of all hydrants. Credit this account with hydrants removed from stock.

Appliances.

Charge this account with all appliances purchased at their cost delivered in the utility's storeroom, including freight, cartage and cost of handling. Profits on all sales of appliances will be credited to the appropriate revenue account. Credit this account with all appliances taken from stock.

NOTE—This account may be subdived into accounts *a*, *b*, *c*, etc., if desired, in order to properly account for the different classes of appliances.

Miscellaneous Materials and Supplies.

Charge this account with all material purchased to be used by the utility and not properly chargeable to any of the preceding stock accounts at the cost of such material delivered in stock room, including freight, cartage and handling. Credit this account with all material taken from stock.

NOTE—This account may be subdivided into accounts *a*, *b*, *c*, etc., if desired, in order to properly account for different classes of stores charged to this account.

Miscellaneous Current Assets.

To this account shall be charged the cost of all current assets of the water utility not chargeable to any of the preceding current asset accounts. Property readily convertible into money and which is being held with the intent of being so converted into money will be considered as a current asset and charged to this or the appropriate preceding account.

PREPAID ACCOUNTS

Prepaid Insurance.

When premiums on insurance policies are paid in advance of their accrual, the amounts prepaid whether paid in cash or by an issue of notes or other negotiable paper shall be charged to this account. As the premiums accrue they shall be credited at monthly intervals to this account and charged to the operating expense account *Insurance*.

Prepaid Taxes.

When taxes are paid in advance of their accrual, the amount shall be charged to this account. As the taxes thus prepaid accrue they shall be credited at monthly intervals to this account and charged to the operating expense account *Taxes*. Taxes for special benefits or special assessments for improvements will not be charged to this account.

Prepaid Interest.

When interest is paid in advance of its accrual on any obligations of the water utility, it shall be charged to this account. As the interest thus prepaid accrues it shall be credited at monthly intervals to this account and charged to the appropriate interest account.

Miscellaneous Prepaid Accounts.

Charge this account with all prepaid items of the water utility not includible in the preceding prepaid accounts. As the amounts thus prepaid accrue they shall be credited at monthly intervals to this account and charged to the appropriate expense account.

CAPITAL LIABILITIES

Capital Stock.

In the accounts of stocks outstanding a separate account shall be opened for each class of stock issued and no two stocks shall be considered of the same class unless they are equal in their interest or dividend rates, voting rights and conditions under which they may be retired, if the right to retire them is contained in the contract of issue. The characteristics of any class of stock in these regards shall be designated in the title of the accounts opened to cover such stocks and shall be clearly expressed in the first entries to such account. To the account

for any class of stocks shall be credited when issued the par value of the amount of such stock issued. If such issue is for money that fact shall be stated, and if for any other consideration than money the persons to whom issued shall be designated and the consideration for which issued shall be described with sufficient particularity to admit of identification; if such issue is to the treasurer or other fiscal agent of the corporation or if by him disposed of for the benefit of the corporation, that fact and the name of such agent shall be shown and such agent shall in his account of the disposition thereof show like details concerning the consideration realized thereon, which account, when accepted by the corporation, shall be preserved as a corporate record.

Funded Debt.

The funded obligations of the utility shall be divided into classes according to their characteristics, as to the security for the same, the rate of interest, interest dates, and date of their maturity. A separate sub-account shall be opened for each such class of funded indebtedness and no accounts or debts not agreeing in the characteristics mentioned shall be included in the same sub-account. The titles of each sub-account shall express the characteristics above stated. To the proper sub-account shall be credited, when issued, the par value of the amount of the evidences of funded indebtedness issued. The entry shall show not only the amount issued but the purpose for which issued and shall make clear and intelligent reference to the corporate records showing all details connected with such transactions. If the consideration received for the issue is anything other than money, the entries shall show further to whom issued and shall describe with sufficient particularity to identify it, the actual consideration received for it. If the issue is to the agent of an undisclosed principal, the name and business address of such agent and the fact of his agency shall be shown in the entry.

MORTGAGE LIABILITIES

Real Estate Mortgages.

The mortgage obligations of the utility shall be divided into classes according to their characteristics, as to the security for the issue, the rate of interest, interest dates, and the date of maturity. A separate sub-account shall be opened for each mortgage. The title of each such sub-account shall express the characteristics above stated. To the proper sub-account shall be credited, when issued, the total receipts from the sale of evidences of indebtedness secured by the mortgage. The entries shall show the amount of the mortgage debts, the purpose for which such debt was incurred and shall show by intelligent reference all the details connected with such transactions. If the consideration received for the indebtedness is anything other than money the entry shall show the person to whom issued and shall describe with sufficient particularity to identify it the actual consideration received. If the indebtedness is to an agent of an undisclosed principal, the name and business address of such agent and the fact of his agency, shall be stated in the entry.

Other Mortgages.

This account shall be raised to show all mortgage indebtedness and transactions pertaining thereto in regard to mortgages other than real

estate mortgages as defined in the preceding account *Real Estate Mortgages.*

CURRENT LIABILITIES

Notes and Bills Payable.

When any note, draft or other bill payable, which matures not later than one year after date of issuance or of demand or assumption by the utility of primary liability thereon, is issued or assumed, the par value thereof shall be credited to this account and when it is paid it shall be charged to this account and credited to *Cash* or other appropriate account.

Accounts Payable.

Credit this account, when incurred, with all liabilities of the water utility upon open accounts not includible in any of the other current liabilities accounts.

Matured Interest on Funded Debt Unpaid.

When interest owing by the water utility upon any of its funded indebtedness matures and is unpaid, whether the cause of failure is on the part of the coupon holder to present coupons for payment or for other reasons, it shall be credited to this account and charged to the account *Unmatured Interest on Funded Debt Accrued* to which it had heretofore been credited.

Matured Interest on Notes and Bills Payable, Unpaid.

When interest owing by the water utility on any of its notes and bills payable matures and is unpaid, whether the cause of failure is on the part of the holder of the paper to present it for payment or for other reasons, it shall be credited to this account and charged to the account *Unmatured Interest on Notes and Bills Payable Accrued* to which it had heretofore been credited.

Dividends Unpaid.

When dividends declared by the water corporation become payable they shall be credited to this account and charged to the account *Dividends.*

Deposits.

Credit to this account, as such deposits are made, all cash deposited with the utility by consumers as security for the payment of water bills. Deposits refunded shall be charged to this account and credited to *Cash.* Deposits applicable to uncollectible water bills shall, at the close of the fiscal year or earlier, at the option of the accounting utility, be credited to the account of the consumer involved and debited to this account. Deposits made by employees or others shall also be credited to this account. Detailed records of deposits as between customers and employees will be required by the Commission.

Miscellaneous Current Liabilities.

Credit to this account at their face value all unfunded obligations upon which the water utility is liable and which are not elsewhere provided for.

ACCRUED LIABILITIES

Insurance Accrued.

Credit to this account at the close of each month the insurance accrued during the period in question, as determined by the policies of all insurance covering the property of the water utility. When such premiums are

paid they shall be charged to this account and credited to *Cash* or other appropriate accounts.

The amount set aside as an insurance reserve by the utility carrying its own insurance either in whole or in part shall be charged to this account.

Taxes Accrued.

To this account shall be credited at the close of each month all taxes accrued during the month and corresponding charges shall be made to the *Taxes* account. Credits to the account *Taxes Accrued* will be based upon estimates until the amount of the taxes levied for the period is definitely ascertained. Such estimates shall be made upon the best data available, and as soon as the amount of the taxes for the period is known, the account involved shall be adjusted to conform. When any taxes become due they shall be charged to this account.

Unmatured Interest on Funded Debt Accrued.

To this account shall be credited at the close of each month all unmatured interest accrued during the month upon the funded indebtedness of the water utility. When such interest matures it shall be charged to this account and credited to the account *Matured Interest on Funded Debt Unpaid*. When paid, the interest shall be charged to the account *Matured Interest on Funded Debt Unpaid* and credited to *Cash* or to the coupon deposit account.

Unmatured Interest on Notes and Bills Payable, Accrued.

To this account shall be credited at the close of each month all unmatured interest accrued during the month upon all notes and bills payable by the water utility. When such interest matures it shall be charged to this account and credited to the account *Matured Interest on Notes and Bills Payable, Unpaid*. When the interest is paid, it shall be charged to the account *Matured Interest on Notes and Bills Payable, Unpaid*, and credited to *Cash* or other appropriate account.

Dividends Accrued.

To this account may be credited at the close of each month the amount of dividends accrued on preferred and common stock during such period at the rates of dividend payments established by the corporation. When such dividends become payable they shall be charged to this account and credited to the account *Dividends Unpaid*, in which account they shall remain until paid, when such amount shall be charged to *Dividends Unpaid*, making a corresponding credit to *Cash* or other appropriate account.

Miscellaneous Liabilities Accrued.

To this account shall be credited at the end of each month as it accrues, any other unfunded obligation of the utility not provided for in any of the preceding accrued liability accounts, making a corresponding charge to operating expenses or other expense account.

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